Naeem Holding for investments
(S.A.E – free zone)

Consolidated Interim Financial Statements
For the Financial period ended 30 June 2021
Together with Limited Review Report

النعيم القابضة للإستثمارات
NAEEM
HOLDING
(ش.م.م)

NAEEM Holding for investments (S.A.E– free zone)
Consolidated interim financial statements for the financial period ended June 30, 2021

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Translation of Financial Statements
Originally Issued in Arabic

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF THE BOARD OF DIRECTORS OF NAEEM HOLDING COMPANY (S.A.E – Free Zone)

Introduction

We have reviewed the accompanying consolidated financial position of **NAEEM HOLDING COMPANY (S.A.E – Free Zone)** as of 30 June 2021 and the related consolidated statements of profit or loss, consolidated comprehensive income, consolidated changes in equity and consolidated cash flows for the six months ended on that date, and summary of the main accounting policies and other explanatory notes, Management is responsible for the preparation and presentation of these consolidated financial statements in accordance with the Egyptian accounting standards, our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the Egyptian Standard on review engagement no, (2410) "Review of interim financial information performed by the independent Auditor of the entity", A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures, A review is substantially less in scope than an audit conducted in accordance with Egyptian standards on auditing, Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, Consequently; we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that accompanying interim consolidated financial statements are not prepared, in all material respects for the financial position of the company as of 30 June 2021, and its consolidated financial performance and cash flows for the six months ended in that date in accordance with Egyptian accounting standards .

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Emphasis of matter

Without qualifying our opinion

- As described in Note No. (32 -a) On April 1, 2021 and in accordance with the sale agreement, the shares of Al Naeem Capital Investment Company, an Egyptian joint stock company, have been sold ،a subsidiary company owned by 99.9% of Al Naeem Holding Company for Investments, the entire company's shares amounting to one million shares were sold and the value of the shares acquired by the buyers was paid.

- As described in Note No. (32 -b) The company management has no available information to make disclosure about the effect of the important event after the date of the financial statements on the balance of assets , liabilities and the operation outcome on the upcoming period due to spread of the coronavirus worldwide the outcome and the balance may change in material amounts on the next period if the information is available to the management company . this will help the company detect the amount of the subsequent events on the balance of the assets and liabilities.

Cairo10 August 2021

النعيم القابضة للإستثمارات
NAEEM HOLDING
(ش.م.م)

Auditor

bakertilly
WAHID ABDEL
GHAFFAR & CO

WAHID ABDEL GHAFFAR

F.E.S.S.A – F.E.S.T

Baker Tilly Wahid Abdel Ghaffar &Co.

Accountants and Consultants

Naeem Holding for investments (S.A.E– free zone)
Consolidated Statement of Financial Position
as of 30 june 2021
(All amounts in US Dollar)

	Note	30/6/2021	31/12/2020
Assets			
Non -current assets			
Fixed assets	(4)	12 113 811	12 454 986
Projects under construction	(5)	1 969 640	1 969 640
Available for sale investments	(6)	95 086 433	95 088 231
Long-term investments	(7)	832 276	852 225
Investments in associates	(8)	4 973 285	2 138 235
Real Estate Investments	(9)	5 956 519	5 973 587
Notes receivables		7 977 421	9 166 483
Deferred tax assets		34 193	34 214
Goodwill	(11)	54 890 059	55 227 019
Total non - current Assets		**183 833 637**	**182 904 620**
Current assets			
Cash & Cash Equivalents	(12)	4 193 033	6 625 290
Investments at fair value through profit or loss	(13)	10 167 799	10 692 371
Investments held for sale	(14)	16 249 715	15 767 165
Accounts receivables	(15)	7 427 939	5 791 726
Work in progress	(16)	22 248 307	19 124 946
Debitors and other debit balances	(17)	15 351 899	15 499 563
Due from related parties		25 095 913	28 301 760
Finished units	(18)	4 367 550	8 031 411
Total current assets		**105 102 155**	**109 834 232**
Total assets		**288 935 792**	**292 738 852**
Owner's Equity			
Issued and paid up capital	(19)	264 499 820	264 499 820
Treasury stock		(20 619 163)	(20 619 163)
Legal reserve		8 506 431	8 506 431
General reserve		19 389 651	19 389 651
General reserve - Treasury stock reserve	(20)	7 233 894	7 233 894
Reserve of Unrealized gain from available for sale investments		5 127 878	5 130 732
Foreign Currency Translation Differences		(22 802 436)	(22 883 543)
Retained (Losses)	(21)	(55 200 945)	(53 860 040)
(Loss) for the period		(2 010 419)	(1 380 008)
The owner's equity of the holding company		**204 124 711**	**206 017 774**
Non - controlling interest		31 199 964	30 237 004
Total shareholders' equity and non - controlling interest		**235 324 675**	**236 254 778**
Non - current liabilities			
Long-term liabilities	(22)	6 812 224	7 673 434
Deferred tax liabilities		237 177	197 793
Total non - current liabilities		**7 049 401**	**7 871 227**
Current liabilities			
Provisions	(23)	23 378	74 795
Bank facilities	(24)	14 125 777	12 771 691
Accounts receivable – credit balances		3 779 574	4 002 978
Creditors and other credit balances	(25)	28 632 987	31 763 383
Total current liabilities		**46 561 716**	**48 612 847**
Total liabilities		**53 611 117**	**56 484 074**
Total equity and liabilities		**288 935 792**	**292 738 852**

-The accompanying notes are an integral part of these consolidated financial statements.

Limited Review Report "Attached "

Translation of Financial Statements
originally issued in Arabic

Naeem Holding for investments (S.A.E– free zone)
Consolidated Statement of Income
For the Financial period ended 30 June 2021

(All amounts in US Dollar)		For the Six months ended		For the three months ended	
	Note	30/6/2021	30/6/2020	30/6/2021	30/6/2020
Revenues					
Fees, commissions and investments managing revenues		1 731 826	1 151 437	794 676	373 855
Units sales and rental revenue		5 353 795	458 789	4 864 592	76 878
Coupon revenue		424 996	348 168	424 996	348 104
Cost of units sold		(3 686 379)	--	(3 470 546)	--
Loss from sale of Investments at Fair Value through profits or losses		(733 543)	(184 916)	--	(37 490)
Unrealized profit from revaluation of investments at fair value through profit or loss		21 759	8 092	21 759	20 512
Loss from sale of Investments in subsidiaries		(217 574)	--	(217 574)	--
Credit interest		98 128	54 314	47 267	22 972
Capital gain (Gain from sale of Real Estate Investments)		949 791	--	938 909	--
Profit / (Loss) from sale of current assets held for sale		3 391	6 908	24 834	(29 963)
Foreign exchange differences		(56 438)	(401 188)	(43 732)	(135 024)
Company's share of (losses) in associates		(44 387)	(53 814)	(70 991)	(39 147)
Other income		672 563	822 893	265 929	779 727
Total Revenues		4 517 928	2 210 683	3 580 119	1 380 424
General and administrative expenses		(3 635 551)	(2 577 242)	(1 911 655)	(1 045 476)
Marketing and managing expenses		(119 621)	(207 963)	(59 687)	(173 512)
Finance lease expenses		(232 143)	(126 684)	(113 820)	---
Provision		---	(40 710)	---	(40 710)
Debit interests		(893 009)	(403 049)	(569 577)	(64 904)
Real estate depreciation	(9)	(17 068)	(16 955)	(8 544)	(8 483)
Right of use amortisation		(2 484)	(223 749)	---	(111 876)
Fixed assets depreciation	(4)	(426 922)	(228 047)	(216 056)	(113 997)
Total expenses		(5 326 798)	(3 824 399)	(2 879 339)	(1 558 958)
Net (Loss) / Profit for the period before taxes		(808 870)	(1 613 716)	700 780	(178 534)
Income tax		(431 696)	(61 055)	(425 715)	18 264
Deferred income taxes		(39 405)	(5 724)	(42 339)	(10 462)
Net (Loss)/profit for the period after tax		(1 279 971)	(1 680 495)	232 726	(170 732)
Represented in:					
Shareholders' equity of the Holding Company		(2 010 419)	(1 852 636)	(504 510)	(187 435)
Non- controlling interest		730 448	172 141	737 236	16 703
		(1 279 971)	(1 680 495)	232 726	(170 732)

-The accompanying notes are an integral part of these consolidated financial statements.

CFO
Ahmed Mahmoud ElGammal

Managing Director
Youssef Medhat El Far

Chairman
Hussein Ali Shobokshy

النعيم القابضة للإستثمارات
NAEEM HOLDING
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Translation of Financial Statements
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Naeem Holding for investments (S.A.E– free zone)

Consolidated Statement of Comprehensive Income

For the Financial period ended 30 june 2021

(All amounts in US Dollar)

	For the Six months ended		For the three months ended	
	30/6/2021	30/6/2020	30/6/2021	30/6/2020
(Loss) Profits for the period	(1 279 971)	(1 680 495)	232 726	(170 732)
(Loss) from Revaluation of available for sale investments	(2 854)	(322 696)	(9 471)	---
Consolidated translation differences	81 107	2 349 366	75 670	200
Total comprehensive income	**(1 201 718)**	**346 175**	**298 925**	**(170 532)**

-The accompanying notes are an integral part of these consolidated financial statements.

CFO	Managing Director	Chairman
Ahmed Mahmoud ElGammal	Youssef Medhat El Far	Hussein Ali Shoboksha

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m Holding for investments (S.A.E– free zone)
olidated Statement of Changes in Equity
he Financial period ended 30 june2021

Translation of Financial Statements
originally issued in Arabic

mounts in US Dollar)

	Issued and paid up capital	Treasury stock	Legal reserve	General reserve	General reserve - Treasury stock	Employees rewarding system revaluation differences	Unrealized gain from available for sale investments	Foreign Currency Translation Differences	Retained (Losses)	(Loss) for the period	The shareholders equity	Non-controlling interest	Total
ice as of 1 January 2020	264 499 820	--	8 506 431	19 389 651	7 233 894	(15 251 481)	5 386 676	(26 125 614)	(45 3[illegible] 740)	(6 771 585)	211 538 052	29 286 570	240 736 622
ferred to retained losses	--	--	--	--	--	--	--	--	(6 771 585)	6 771 585	--	--	--
tment in retained losses	--	--	--	--	--	--	--	--	(1 742 059)	--	(1 742 059)	--	(1 742 059)
ferred to Treasury stock	--	(20 619 163)	--	--	--	--	--	--	--	--	(20 619 163)	--	(20 619 163)
uation of employees' rewarding system shares	--	--	--	--	--	15 251 481	--	--	--	--	15 251 481	--	15 251 481
uation of available for sale investments	--	--	--	--	--	--	(267 004)	--	--	--	(267 004)	--	(267 004)
olidated translation differences	--	--	--	--	--	--	--	1 659 980	--	--	1 659 980	--	1 659 980
oss for the period	--	--	--	--	--	--	--	--	--	(1 852 636)	(1 852 636)	172 141	(1 680 495)
ice as of 30 June 2020	264 499 820	(20 619 163)	8 506 431	19 389 651	7 233 894	--	5 119 672	(24 465 634)	(53 85[illegible] 384)	(1 852 636)	203 960 651	29 378 711	233 339 362
ice as of 1 January 2021	264 499 820	(20 619 163)	8 506 431	19 389 651	7 233 894	--	5 130 732	(22 883 543)	(53 868 040)	(1 380 008)	206 817 774	30 237 004	236 254 778
ferred to retained losses	--	--	--	--	--	--	--	--	(1 380 008)	1 380 008	--	--	--
tment of investment in subsidiary disposal	--	--	--	--	--	--	--	--	39 103	--	39 103	232 512	271 615
uation of available for sale investments	--	--	--	--	--	--	(2 854)	--	--	--	(2 854)	--	(2 854)
olidated translation exchange	--	--	--	--	--	--	--	81 107	--	--	81 107	--	81 107
oss for the period	--	--	--	--	--	--	--	--	--	(2 010 419)	(2 010 419)	730 448	(1 279 971)
ice as of 30 june 2021	264 499 820	(20 619 163)	8 506 431	19 389 651	7 233 894	--	5 127 878	(22 802 436)	(55 208 945)	(2 010 419)	204 124 711	31 199 964	235 324 675

accompanying notes are an integral part of these consolidated financial statements.

CFO
Ahmed Mahmoud ElGammal

Managing Director
Youssef Medhat El Far

Chairman
Hussein Al Shobokshi

(In the notes all amounts are shown in US Dollar unless otherwise stated)

1- BACKGROUND

Naeem Holding Company for Investments "S,A,E - Free Zone" was incorporated according to the provisions of law 8 of 1997 and its executive regulations and law 95 of 1992 and its special executive regulations related to the capital market, The Company was registered in the commercial registry under number 881-Ismailia on the14 May 2006, The Company's activities are as follows:

1. Participate, either fully or partially, in establishing companies.
2. Factoring
3. Risk capital
4. Finance lease.
5. Guarantee and covering public offering.
6. Margin trading and custodian function.

2- The Company has the following investments in subsidiaries as of June 31, 2021:

Company	Activity	Share %
NAEEM Brokerage Company	Financial Securities Brokerage	99.96%
-NAEEM Financial Investments Company	Financial services	99.99%
-NAEEM Mortgage for Real Estate	Real estate financing	98.4%
-NAEEM Capital Limited Company	Financial Securities investments	100%
-NAEEM for Real Estate Management Limited Company	Real Estate Investment Management	100%
-Smart for securities (Etihad Capital for Securities)	Financial Securities	99.96%
-Naeem For Real Estate Management Limited	Investment Fund	100%
-NAEEM Real Estate Investment Fund company	Investment Fund	99%
-Mina Mac Fund Company	Investment Fund	99%
-Mina Growth Fund Company	Investment Fund	99%
-NAEEM Real Estate Investment Fund (NAEEM for Investment Funds Company previously)	Investment Fund	99%
-Gold Capital for trading Company	Commodities Trading	98.80%
-Recap for Financial investments (Recap holding previously) *	Financial services	47.61%
-NAEEM For Financial Consult	Financial services	99.92%
-Arab Sweeteners Company	Manufacturing	99.98%

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* RECAP for Financial Investments owns the following ownerships in its Subsidiaries:

Company	Activity	Share %
SVREICO for Real Estate Investment Company	Real Estate Investments	68.35%
Naeem For Real Estate Investments	Real Estate Investments	99.98%
Bedaya For Real Estate Investments (Subsidiary of Naeem for Real Estate Investments)	Real Estate Investments	99%
Belady For Tourist Development and Hotels (Subsidiary of Naeem for Real Estate Investments)	Tourism Investments	99%
Smart Gardens for real estate investment	Real Estate Investments	66%
NAEEM for Consulting Services Company	Consulting services	98%

* * On April 1, 2021 and in accordance with the sale agreement, the shares of Al Naeem Capital Investment Company, an Egyptian joint stock company, have been sold. A subsidiary company owned by 99.9% of Al Naeem Holding Company for Investments, the entire company's shares amounting to one million shares were sold.

All legal Procedures are being taken to amend the Corporation charter of the company and document those amendments by authorities.

3- BASIS OF CONSOLIDATION

- The financial statements of the Holding Company and its subsidiaries are prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations,
- Similar accounts for assets, liabilities, revenues and expenses of Holding Company and its subsidiaries have been grouped, after excluding the following:
  1. The equity of subsidiary is reduced against the cost of the investment cost of Holding Company in its subsidiary.
  2. Intercompany accounts between Holding Company and subsidiaries:
     - Current accounts between group companies
     - Notes receivables / payables between group companies
  3. Revenues, expenses and dividends paid between Holding Company and subsidiaries during the period.
  4. Unrealized gains on the date of consolidated financial statements that resulted from transactions between Holding Company and subsidiaries which may appear in some assets at the date of consolidated financial statements,
  5. Any differences between debit and credit balances through settlements, which arose as a result of operation between Holding Company and subsidiaries which recorded in the books of one of the companies and have not been recorded in the books of other Company.

     Show minority interest in a separate line item in the consolidated financial statements attributed to equity share in subsidiaries.
  6. Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition in separate item.

(In the notes all amounts are shown in US Dollar unless otherwise stated)

(4) **Fixed assets**

	Buildings	Vehicles	Furniture and office utilities	Office equipment and tools	Total
Cost as of 1/1/2020	**9 793 464**	**465 315**	**5 137 817**	**1 907 952**	**17 304 548**
Additions for the year	6 472 994	11 718	6 309	25 175	**6 516 196**
Disposals for the year	(3 880 783)	(71 264)	(76 640)	(279 388)	**(4 308 075)**
Cost as of 31/12/2020	**12 385 675**	**405 769**	**5 067 486**	**1 653 739**	**19 512 669**
Additions for the period	---	392 630	935	184 768	**578 333**
Disposals for the period	(538 283)	(11 763)	(449)	(574)	**(551 069)**
Cost as of 30/6/2021	**11 847 392**	**786 636**	**5 067 972**	**1 837 933**	**19 539 933**
Accumulated depreciation					
Accumulated depreciation as of 1/1/2020	**1 184 285**	**316 096**	**3 318 797**	**1 761 159**	**6 580 337**
Depreciation for the year	495 794	55 851	196 494	143 610	**891 749**
Depreciation of disposals	(39 600)	(50 106)	(50 459)	(274 238)	**(414 403)**
Accumulated depreciation as of 31/12/2020	**1 640 479**	**321 841**	**3 464 832**	**1 630 531**	**7 057 683**
Depreciation for the period	266 830	23 030	84 146	52 916	**426 922**
Depreciation of disposals for the period	(49 338)	(1 376)	(6 464)	(1 305)	**(58 483)**
Accumulated depreciation as of 30/6/2021	**1 857 971**	**343 495**	**3 542 514**	**1 682 142**	**7 426 122**
Net Book Value 30/6/2021	**9 989 421**	**443 141**	**1 525 458**	**155 791**	**12 113 811**
Net Book Value 31/12/2020	**10 745 196**	**83 928**	**1 602 654**	**23 208**	**12 454 986**

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(In the notes all amounts are shown in US Dollar unless otherwise stated)

5. Projects under construction

	30/6/2021	31/12/2020
Beginning balance for the Period / year	1 969 640	1 285 342
Additions	--	841 744
Transferred to fixed assets	--	(157 446)
Ending balance for the period / year	**1 969 640**	**1 969 640**

- The projects under construction are represented in the studies and preparations made for an industrial project (Arab Sweeteners Company).

6. Available for sale investments

	30/6/2021	31/12/2020
Quoted shares in the stock market *	68 270 318	68 270 143
Unquoted shares in the stock market	26 816 115	26 818 088
	95 086 433	**95 088 231**

* The value of Quoted shares in the Egyptian stock exchange commission amounted 30 130 920 shares at fair market value USD 56 215 606 from Investments in Egyptian Gulf Bank shares mortgaged by a letter of guarantee issued from the Arab African bank in favor of NAEEM for Stock and Bonds Company as a guarantee of brokerage activities and Etihad Capital Company with the aim of financing a securities portfolio investment.

7. Long-term investments

	30/6/2021	31/12/2020
Misr Company for central Clearing and Depository *	558 360	556 230
Guarantee settlement fund **	273 916	295 995
	832 276	**852 225**

* The change is due to decrease in the investment in Misr Company for central Clearing and Depository distrbutions of the capital of the company to its members every three years, and transfer ownerships of the equity between members according to par value , and redistribution when add new members.

** The determination of the contribution in settlement gurantee fund is based on average value trade by the company to the value trade of the market due to quarter before.

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(In the notes all amounts are shown in US Dollar unless otherwise stated)

8. Investments in associates

	Ownership %	30/6/2021	31/12/2020
AL - Naeem Shares & Bonds	1	176 998	177 442
Etihad Capital	31.2	1 856 504	1 900 447
Smart Back	35	2 939 783	60 346
		4 973 285	**2 138 235**

9. Real estate investments

	30/6/2021	31/12/2020
Beginning balance of the period / year	6 445 945	6 445 945
Accumulated depreciation for disposals	(472 358)	(438 485)
Depreciation for the period / year	(17 068)	(33 873)
	5 956 519	**5 973 587**

According to the board of directors decision that had been held on 11 November 2015 which it was decided to cancel the finance lease contract with the International Company for Leasing which was contracted during 2011 related to the finance lease of building F4& B143,that resulted in acquisition of building B143 & F4 by Sverico For Real Estate Investment Company amounted to 2 946 959 EGP with the purpose of maintaining building B14 and building F4 to be offered for leasing according to one or more operating lease contract
As a result and according to prograph number (8) standard (34) of Egyptians accounting standards that related to investment properties, Sverico For Real Estate Investment Company recognized building F4 and B143 in the real estate investment

Referring to the decision of the Minister of Investment No, 110 for the year 2015 to issue the accounting standards, which resulted in a change in Standard No, 34 of the Egyptian Accounting Standards for Real Estate Investment and the derecognition of the fair value method, Accordingly, they were reclassified in Accordance with transitional provisions from the fair value method to the cost method, It was taken into consideration that the useful life of the original 50 years.

10. Employees rewarding system

On 30 March 2008 the ordinary general assembly meeting agreed on board of directors proposal to declare 1 stock dividend for every 3 shares, the employee rewarding system portion is 3 790 919 shares.
On 30 April 2008, all treasury stocks had been transferred to employees rewarding system with total number of 11 372 754 share and the stocks were revaluated using the fair (market) value at the date of transfer.

(In the notes all amounts are shown in US Dollar unless otherwise stated)

On 24 May 2013, 5 000 000 shares has been transferred to employees rewarding system previously purchased on 13 November 2012 as per the extraordinary general assembly meeting decision for financing the employees rewarding system.

On 22 June 2017 the ordinary general assembly meeting agreed on board of directors proposal to declare 1 stock dividend for every 10 shares, the employee rewarding system portion is 1 878 133 shares.

On 2 April 2019 the ordinary general assembly meeting agreed on board of directors proposal to declare 1 stock dividend for every 10 shares, the employee rewarding system portion is 2 496 555 shares. On 9 June 2019 the transaction was registered at Misr for Central Clearing, Depository and Registry.

On 15 April 2018 the ordinary general assembly meeting agreed on board of directors proposal to declare 1 stock dividend for every 10 shares, the employee rewarding system portion is 2 269 595 shares. On 11 October 2018 the transaction was registered at Misr for Central Clearing, Depository and Registry.

On 15 April 2018 the company purchases 2 416 666 shares by (USD 1 437 469) financed from the employee rewarding system Loans.

On March 30, 2020, the Extraordinary General Assembly unanimously approved the abolition of the bonus and incentive system for existing employees and managers of the company and the transfer of the balance of the remaining shares of the bonus and incentive Employees' rewarding system and managers of Al-Naeem Holding Company for Investments of 27 442 248 shares into treasury shares with amount USD 20 619 163 (31 December 2019 there is no balance of treasury stocks) and the provisions of the treasury shares apply to them. Movement Summary is as follows:

	Share
Total shares transferred to the system	11 372 754
Free Stock dividends	10 435 202
Shares transferred to the system	5 000 000
shares purchased	2 416 666
Total shares of the system	**29 224 622**
Shares designated and sold:	
Shares sold	(20 000)
Holding company's employees	(657 662)
Subsidiaries employees	(1 104 712)
Total Sold & designated shares	**(1 782 374)**
Total undesignated shares	**27 442 248**
Total shares transferred to treasury stock	**(27 442 248)**
Balance at 30 June 2021	--

(In the notes all amounts are shown in US Dollar unless otherwise stated)

11. Goodwill

	30/6/2021	31/12/2020
Goodwill arising from acquisition of:		
Naeem Brokerage in financial securities	40 330 093	40 330 093
RECAP for financial investments (Recap holding previously)	10 251 294	10 251 294
Naeem for Financial Investments	3 103 794	3 103 794
Etihad Capital (Unifund Capital for financial investments company)	473 327	473 327
Smart for securities (Etihad Capital for Securities)	731 551	731 551
Naeem Capital for Investments (Al Tawfik Financial Investments- previously) Note (2)	--	336 960
	54 890 059	**55 227 019**

12. Cash and Cash Equivalent

	30/6/2021	31/12/2020
US Dollars		
Cash on hand	5 528	2 463
Banks- Current accounts	574 563	710 220
Time deposit	100 000	100 000
	680 091	**812 683**
Other Currencies		
Cash on hand	80 010	28 412
Banks- Current accounts	2 975 935	5 346 541
Time deposits	456 997	437 654
	3 512 942	**5 812 607**
	4 193 033	**6 625 290**

13. Investments at fair value through profit or loss

	30/6/2021	31/12/2020
Quoted shares in the stock market	8 522 738	10 692 371
Unquoted shares in the stock market	1 645 061	--
	10 167 799	**10 692 371**

(In the notes all amounts are shown in US Dollar unless otherwise stated)

14. Investments held for sale

Company name	Share%	30/6/2021	31/12/2020
Nile Palm EL Naeem for Real Estate Development *	49%	15 767 165	15 767 165
Azimut Investment Fund		482 550	---
		16 249 715	**15 767 165**

* Available for sale investments represents the 49% ownership of Naeem for Real Estate Investment Company in Nile Palm EL Naeem for Real Estate Development, the total investment cost reached L.E 120 031 013 after revaluation on the date of purchase as per the study made by Baker Tillly, accordingly RECAP company has purchased a share in Naeem for Real Estate Investment company, during the year 2009 the company has reclassified the Investments in Nile Palm EL Naeem for Real Estate Development stated in the Investments in related parties as of 31 December 2008 to Investments held for trading as per the Egyptian accounting standards no. (32) which requires to be presented separately from other investments. In 2018, Professionals Financial Consulting Firm (licensed by the Egyptian Financial Supervisory Authority sub no. (448) was assigned to draw up a report on determining the fair value of the company's shares. Where upon, it was found out that the estimated value of the company's capital is 206 000 000 EGP, distributed to 991 000 shares.

15. Accounts receivable

	30/6/2021	31/12/2020
Accounts receivable	7 775 894	6 139 029
(Deduct):		
Impairment of accounts receivable	(347 955)	(347 303)
	7 427 939	**5 791 726**

16. Work in progress

	30/6/2021	31/12/2020
Marsa alam land	2 751 361	2 751 361
First phase lands – smart village' buildings and constructions	19 496 946	16 373 585
	22 248 307	**19 124 946**

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17. Debtors and other debit balances

	30/6/2021	31/12/2020
Prepaid expenses	984 570	65 976
Employees' loans and advances	19 206	54 321
Deposit with others	384 211	377 429
Tamweel For Mortgage Company *	2 138 626	2 323 072
Tamweel For Leasing Company **	1 218 474	1 447 584
Advances to suppliers	202 688	380 267
Sale and purchase clearing	210 250	--
Accrued revenue	11 578	--
Tax Authority	184 770	144 807
Notes receivables	7 662 071	7 996 363
Other debit balances	2 335 455	2 709 744
	15 351 899	**15 499 563**

* The company has made a sale and lease back contract for the first and third floor - building B–16 in Smart village that the company owns it with Tamweel for Mortgage.

** The company has made a sale and lease back contract for the second floor - building B–16 in Smart village that the company owns it with Tamweel for Leasing.

18. Finished units

	30/6/2021	31/12/2020
First phase Buildings – Smart village *	4 367 550	8 031 411
	4 367 550	**8 031 411**

* This amount represents the covered costs related to the unsold portion of buildings no B109 & B16 at the first phase, as included in the balances of Sverico For Real Estate Investment Company.

19. Issued and paid up capital

The Company's authorized capital amounts to USD 600 million and the initial issued and paid up capital at the date of incorporation amounted to USD 120 million divided over 120 million shares each with a par value of USD 1.

On 18 July 2006, the board of directors approved an increase in the issued and paid up capital from USD 120 million to USD 240 million and increase the shares from 120 million shares to 240 million shares each with a par value of USD 1 and the increase was fully subscribed in.

On 30 March 2008 the general assembly meeting agreed on board of directors' proposal to declare 1 stock dividend for every 3 shares with total amount of USD 80 million, On 16 July 2008 the capital increase was registered at Misr for Central Clearing, Depository and Registry Company, Accordingly, issued and paid up capital amounted to USD 320 million divided over 320 million shares each with a par value of USD 1.

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- On 11 November 2009 the board of directors decided to redeem 10 660 529 shares from treasury shares at their par value (Note 20), Accordingly the Company issued and paid up capital amounted to USD 309 339 471.
- On 14 April 2011 extra ordinary general assembly meeting decided to redeem 5 017 471 shares of treasury shares with their par value (Note 20) accordingly issued and paid up capital becomes USD 304 322 000.
- On 21 May 2012, according to the decree of the Extraordinary General Assemble Meeting, 10 432 529 shares of treasury shares have been redeemed with their par value (Note 20), accordingly issued and paid up capital becomes USD 293 889 471.
- On 6 August 2013, according to the decree of the Extraordinary General Assemble Meeting, 10 000 000 shares of treasury shares have been redeemed with their par value (Note 20), accordingly issued and paid up capital becomes USD 283 889 471.
- On 16 January 2014 the articles no, 6 & 7 of the company's article of association has been changed and the changes were highlighted in the commercial register on that date.
- Pursuant to the decisions of the extraordinary general assembly held on 25 July 2016, which stipulated for reducing the issued and paid-up capital from US$ 283 889 471 to US$ 198 722 630 by way of reducing the nominal value per share from 1 US$ to US$ 0.70 while keeping the number of shares as it is, i.e. 283 889 471 shares. The aforesaid decisions further stipulated for transferring the reduced portion of capital, amounting to US$ 85 166 841 to the company's reserves (general reserve), and for amending articles nos. (6 and 7) of the company's articles of association.
- On 22 June 2017 the ordinary general assembly meeting agreed on board of directors' proposal to declare 1 stock dividend for every 10 shares outstanding with total amount of USD 19 872 263. On 9 October 2017 the capital increase was registered at Misr for Central Clearing. Depository and Registry, Accordingly, issued and paid up capital amounted to USD 218 594 893 divided over 312 278 418 shares each with a par value of USD 0.70 and it was modified in the commercial register dated 14 September 2017.
- On 15 April 2018 the ordinary general assembly meeting agreed on board of directors' proposal to declare 1 stock dividend for every 10 shares outstanding with total amount of USD 21 859 489. On 10 October 2018 the capital increase was registered at Misr for Central Clearing. Depository and Registry, Accordingly, issued and paid up capital amounted to USD 240 454 382 divided over 343 506 260 shares each with a par value of USD 0.70 and it was modified in the commercial register dated 12 September 2018.
- On 28 March 2019 the ordinary general assembly meeting agreed on board of directors' proposal to declare 1 stock dividend for every 10 shares outstanding with total amount of USD 24 045 438. On 9 June 2019 the capital increase was registered at Misr for Central Clearing. Depository and Registry, Accordingly, issued and paid up capital amounted to USD 264 499 820 divided over 377 856 886 shares each with a par value of USD 0.70 and it was modified in the commercial register dated 28 May 2019.

20. General reserve -Treasury stock

- According to the Company's board of directors meeting held on 25 August 2008, the Company decided to purchase 4.9% from Company's shares. The Company had purchased 11 115 493 shares during 2008 and 2009 with amount of USD 7 428 235.

- On 11 November 2009 the board of directors agreed to redeem 10 660 529 shares from treasury shares at par value, The Company completed the appropriate procedures to redeem these shares of an amount of 7 219 991 USD as at 30 March 2010 according to the decision of the extraordinary general assembly meeting held, The difference between the acquisition cost and the par value amounted to USD 3 440 538 is recognized in reserve available for distribution in equity at the balance sheet as of 31 December 2009.

- According to the decree of Company's Extraordinary General Assembly Meeting held on 14 April 2011, 5 017 471 treasury shares and their acquisition cost is amounted to 2 654 357 and their par value is amounted to USD 5 017 471 has been redeemed , and the difference between the share's par value and their acquisition cost has been charged to reserve available for distribution in the equity in the Consolidated balance sheet, as of 31 December 2011 with the addition to the amount of USD 2 363 114, so that, for the reserve available for distribution as of 31 December 2011 amounted to USD 5 803 652.

- On 21 May 2012, according to the Extraordinary General Assembly Meeting decision, 10 432 529 shares from treasury shares have been redeemed at par value that had acquisition cost amount to USD 5 605 525 with par value amount to USD 10 432 529, The difference between the par value and acquisition cost amount to USD 4 827 004, so that the dividends available to distribution becomes USD 10 630 656 as of 31 December 2012.

- On 6 August 2013, according to the Extraordinary General Assembly Meeting decision, 10 000 000 shares from treasury shares have been redeemed at par value that had acquisition cost amount to USD 2 814 142 with par value amount to USD 10 000 000, The difference between the par value and acquisition cost amount to USD 6 671 109.

- On 13 November 2013, according to the Extraordinary General Assembly Meeting decision, 5 000 000 shares from treasury share have been purchased with the amount of USD 1 608 173 for the purpose of financing rewarding system.

- On 30 September 2020 Treasury stock reserve amounted to USD 7 233 894 (on 31 December 2019, USD 7 233 894).

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21. Accumulated (Losses)

According to the Decree of the Ministry of Investment and International Cooperation No. (69) Year 2019 introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. (110) year 2015, the Retained losses for the financial year ended at 31 December 2019 have been adjusted as follows:
On October 2019 the Financial Regulatory Authority (FRA) in association with the Egyptian Society of Accountants &Auditors (ESAA) issued the Guide to the application of the Egyptian Accounting Standard No. (49) leases Contracts and paragraph (5), which included the following: "The Lessee should apply this standard to lease contract where he is the Lessee.

While the cumulative effect of the initial Implementation of the standard is recognized on the date of initial Implementation and it is not permitted to Presentation comparative information, the lessee should instead recognize the cumulative effect of the initial Implementation of this standard as an adjustment to the opening balance of retained earnings at the date of initial Implementation.

For financial leases that were subject to Law No. 95 of 1995 and were processed in accordance with IAS 20 Accounting Rules and Standards relating to Finance Leases, the following are the effects resulted of Shift to the Implementation of the Egyptian Accounting Standard No. (49) leases.

	30/6/2021	31/12/2020
Beginning Balance of period / year	(53 860 040)	(45 337 740)
Transferred to Retained Earning	(1 380 008)	(6 771 585)
Adjustment in accumulated losses	39 103	(1 750 715)
Ending Balance at period / year	**(55 200 945)**	**(53 860 040)**

22. Long -term liabilities

	30/6/2021	31/12/2020
Notes payable	4 648 612	5 328 409
Right of use liabilities	2 163 612	2 345 025
	6 812 224	**7 673 434**

23. Provisions

	30/6/2021	31/12/2020
Beginning Balance at period / year	74 795	66 099
Provision during the period / year	---	67 848
Used during the period / year	(51 417)	(59 152)
	23 378	**74 795**

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24. Bank facilities

	30/6/2021	31/12/2020
United Bank	316 975	3 982
United Ahly Bank	4 275 687	--
Bank Du Caire	641 277	1 436 526
Misr Bank	75	75
Export Development Bank of Egypt *	18	18
Attijariwafa Bank	926	2 549 753
Arab African International Bank **	8 890 819	8 781 337
	14 125 777	**12 771 691**

* The company obtained a bank facility amounted to EGP 35 million from export development bank of Egypt to finance margin- purchase operations.

** The company obtained a secured credit from the Arab African International Bank – Egypt amounting to LE 200 million, Ensuring securities and guaranteed by the shares of Recap for Financial Investments Company and Egyptian Gulf Bank, with the aim of financing a securities portfolio investment.

25. Creditors and other credit balances

	30/6/2021	31/12/2020
Insurance for others	153 493	534 173
Accrued expenses	158 232	309 935
Central depository custody	23 962	21 833
Social insurance authority	27 690	78 316
Advances from customers	62 384	33 998
Takaful Contribution	19 811	32 004
Risk guarantee fund	---	115
Tax Authority	552 581	698 174
General authority for investment and free zones	2 080 244	2 080 244
Lease contract Liability	490 502	462 390
Nile Palm EL Naeem for Real Estate Development	3 111 347	3 099 479
Notes payable – short term	1 187 962	1 274 155
Purchasing and selling clearing	---	872 011
Advanced Revenue	17 346 096	20 278 228
Other credit balances	3 418 683	1 988 328
	28 632 987	**31 763 383**

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26. Financial instruments and management of related risks:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks, investments and debtors while financial liabilities include loans and creditors. Notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the company to minimize the consequences of such risks .

a. Market risk

Market risk is defined as the potential loss in both on and off financial position resulting from movements in market risk factors such as foreign exchange rates, interest rates, and equity prices.

Market risk is represented in the factors which affect values, earnings and profits of all securities negotiated in stock exchange or affect the value, earning and profit of a particular security.

According to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

b. Foreign currencies risk

The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies. The company has revaluate assets and liabilities at the financial position date as disclosed in foreign currency accounting policy.

c. Risk management

In the ordinary course of business, the Group is exposed to a variety of risks, the most important of which are liquidity risk, interest rate risk, currency risk, credit risk and market risk. These risks are identified, measured and monitored through various control mechanisms in order to price facilities and products on a risk adjusted basis and to prevent undue risk concentrations.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Group's strategic planning process.

d. Credit risk

Credit risk is the risk of a person or an organization defaulting in the repayment of their obligations to the Group in respect of the terms and conditions of the credit facilities granted to them by the Group. The management minimizes this risk by spreading its loan portfolio overall economic sectors and by adopting appropriate procedures and controls to evaluate the quality of the credit facilities granted and the creditworthiness of the borrowers. The credit risk of connected accounts is monitored on a united basis. In addition, the effective credit appraisal procedure for examining applications for credit facilities followed by the Group, adopts as the main criteria the repayment capability and obtaining sufficient collateral. The continuous monitoring of credit accounts and the timely preventive action further minimize, to a large extent, the exposure to credit risk.

e. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind and monitors future cash flows and liquidity on daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of high marketable and diverse assets that can be easily liquidated in the event of an unforeseen interpretation of cash flow. In addition, the Group maintains statutory deposits with the Central Banks.

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and to the Group in specific. The Group maintains a solid ratio of high liquid net assets in foreign currencies to deposits and commitments in foreign currencies taking markets conditions into consideration.

f. Interest rate risk

Interest rate risk stems from the sensitivity of earnings to future movements in interest rates applied on assets and liabilities.

The Group's management closely monitors interest rate fluctuations on a continuous basis and ensures that assets and liabilities are matched and re-priced in a timely manner. The Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or are re-priced in a given period. The most important source of interest rate risk derives from the lending, funding and investing activities, where fluctuations in interest rates are reflected in interest margins and earnings.

g. Equity price risk

Equity price risk is the risk that the value of a portfolio will fall as a result of change in stock prices. Risk factors underlying this type of market risk are a whole range of various equity (and index) prices corresponding to different markets (and currencies/maturities), in which the Group holds equity-related positions.

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The Group sets tight limits on equity exposures and the types of equity instruments that traders are allowed to take positions in. Nevertheless, depending on the complexity of financial instruments, equity risk is measured in first cash terms, such as the market value of a stock/index position, and also in price sensitivities, such as sensitivity of the value of a portfolio to changes in the underlying asset price. These measures are applied to an individual position and/or a portfolio of equity products.

h. Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology, process infrastructure, personnel, and other risks having an operational risk impact. The Group seeks to minimize actual or potential losses from operational risk failure through a framework of policies and procedures that identify, assess, control, manage, and report those risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes.

i. Fair value of financial instruments

The fair value of the financial instruments does not substantially deviated from its book value at the financial position date. According to the valuation basis applied, in accounting policies to the assets and liabilities.

j. Derivative financial instruments and hedge accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value, according to the valuation basis applied, in accounting policies to derivative financial instruments.
- Under the contracts the customers pay to the Company a pre-determined price, which is essentially the market price at the trade date, in respect of certain reference securities. In return for such shares swap transactions the Company pays to the customers the mark to market price of the reference securities at a pre-determined date (normally after one year). However, the contracts can be terminated at any time by either of the parties, which shall be the affected party.

27. Contingent liabilities

The company warrants a letter of guarantee at the amount of AED 1 000 000 or the equivalent amount in US dollars, as issued by the Arab African International Bank to Naeem for Stocks and Bonds Company in favor of the stock exchanges in Dubai and Abu Dhabi, with the aim of guaranteeing the brokerage activity.

28. Goals and methods of capital management

The Company aims to achieve the maximum return on its capital through capital management in accordance with its related investments activities through its operations department that has a sufficient experience to manage company's capital and to achieve the required return.

Capital finance of the group is made through shareholder's equity, and borrowings through financial institutions are very limited.

29. Tax position of the companies of Naeem Holding Group for Investments

- **Naeem Holding Company**

- **Income tax:** The Company was established at the free zone in Ismailia, and was exempted from the income tax in accordance with the Investment Guarantees and Incentives Law No. 8 of the year 1997.
- **Salaries tax:** Examination took place up to 31 December 2012, all taxes due were paid. The company pays all taxes obligation amounts on a regular basis. The Company's books are in inspection for the years from 2013 till 2016.
- **Stamp duty:** The Company was exempted from stamp duty tax till 13 May 2011 and subject to tax starting from 14 May. The company fulfills its tax obligations as per the due dates.

30. Going concern

On 27 March 2013, according to the Extraordinary General Assembly Meeting decision of Bedaya for Real Estate Investment Company (Subsidiary), it was accepted to freeze the company's activities as of 31 March 2013, and the tax card has been retained by the company.

As per the decision from the board of directors of the Egyptian Financial Supervisory Authority (EFSA) session held on 23 July 2011, Naeem For Real Estate Financing (Subsidiary) has been prevented from performing its operations according to the article no, 42 of the real estate financing law no 148 of 2001 for not completing its Capital.

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31. Significant accounting policies applied

31-1- Basis of consolidation

31-1-1 Business combination

- The Group accounts for business combinations using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.
- Any goodwill that arises is tested annually for impairment, any gain on a bargain purchase is recognized immediately in profit or loss.
- Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.
- The consideration transferred doesn't include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

31-1-2 Subsidiaries

- Subsidiaries are entities controlled by the Group.
- The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. - The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

31-1-3 Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

31-1-4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

31-1-5 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, where by the Group has rights to the net assets of the arrangement. Rather than rights to its assets and obligations for its liabilities. Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

31-1-6 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising fromintra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

31-2 Foreign currency

31-2-1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- An investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and Qualifying cash flow hedges to the extent that the hedges are effective.

31-2-2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

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Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.
When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.
When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

31-3 discontinued operation
A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.

Classification as a discontinued operation occurs at the earlier of disposal or
When the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative period.

31-4 Revenue
31-4-1 Gain (loss) on sale of investments
Gain (loss) resulting from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses. In case of derecognizing of investments in associates, the difference between the carrying amount and the sum of both the consideration received and cumulative gain or loss that had been recognized in shareholders' equity shall be recognized in income statement.

31-4-2 Dividend income
Dividend income is recognized when declared.

31-4-3 Custody fee
Custody fees are recognized when the service is provided and the invoice is issued.

31-4-4 Interest income and expenses
Interest income and expenses are recognized in the income statement under "Interest income" item or "Interest expenses" by using the effective interest rate method of all instruments bearing interest other than those classified held for trading or which have been classified at inception "fair value through income statement".

31-4-5 Fee and commission income

Fee related to servicing the loan or facility are recognized in income when performing the service while the fees and commissions related to non-performing or impaired loans are not recognized, instead, they are to be recorded in marginal records off the financial position. Then they are recognized within the income pursuant to the cash basis when the interest income is collected. As for fees which represent an integral part of the actual return on the financial assets, they are treated as an amendment to the rate of actual return.

31-4-6 Brokerage commission

Brokerage commission resulting from purchase of and sale of securities operations in favor of clients are recorded when operation is implemented and the invoice is issued.

31-4-7 Management fee

Management fee is calculated as determined by the management contract of each investment fund & portfolio and recorded on accrual basis.

31-4-8 Incentive fee

Incentive fee is calculated based on certain percentages of the annual return realized by the fund and portfolio, however these incentive fee will not be recognized until revenue realization conditions are satisfied and there is adequate assurance of collection.

31-4-9 Investment property rental income

Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognized as other income.

31-4-10 Revenue from micro-finance services

Revenue from micro-finance services is recognized based on time proportion taking into consideration the rate of return on asset. Revenue yield is recognized in the income statement using the effective interest nod for an in that carry a yield, the effective interest method is the method of measuring the amortized cost of a financial asset and distributing the revenue over the life of time the relevant instrument. The effective interest rate is the rate that discounts estimated future cash receipts during the expected life of the financial instrument to reach the book value of the financial asset.

When classifying loans to customers as irregular, no income is recognized on its return and it is recognized in marginal records outside the financial statements and are recognized as revenue in accordance with the cash basis when it is collected.

The commission income is represented in the value of the difference between the yield of the financing granted micro enterprises and the accruals of the company's bank by deducting the services provided directly from the amounts collected from the entrepreneurs.

The benefits and commissions resulting from the performance of the service are recognized, according to the accrual basis as soon as the service is provided to the client unless those revenues cover more of the financial period are recognized on a time proportion basis.

An administrative commission of 8% of the loan granted to customers is collected on contracting in exchange for the issuance of the loan service and administrative commission revenue are proven in the income statement upon the issuance of the loan to the client.

A commission delay in payments of premiums is collected at rates agreed upon within the contracts and are recognized as soon as customers delayed payment on the basis of the extended delay.

31-4-11 Gains from securitization

Gains from securitization is measured as the difference between the fair value of the consideration received or is still due to the company at the end of securitization process and the carrying amount of the securitization portfolios in the company's books on the date of the transfer agreement.

31-5 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

31-5-1Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.
Current tax assets and liabilities are offset only if certain criteria are met.

31-5-2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation Deferred tax is not recognized for: purposes.

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amou of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax assets and liabilities are offset only if certain criteria are met.

31-6 Property, plant and equipment

31-6-1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

31-6-2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

31-6-3 Depreciation

Depreciation is calculated to write off the cost of items of property,plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Ratio
furnitures	6 %s
Computer equipment.	25 %
Office furniture	10 %
electrical appliances	10 %
Interior design	10 %

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

31-6-4 Reclassification to investment property

When the use of a property changes from owner-occupied to investment property.

31-7 Projects under construction

Projects under construction are recognized initially at cost, the book value is amended by any impairment concerning the value of these projects cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

31-8 Intangible assets and goodwill

- Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

- Research and development

Expenditure on research activities is recognized in profit or loss as incurred.
Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

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- Other intangible assets

Other intangible assets, are measured at cost less accumulated amortization and any accumulated impairment losses.

31-9 Investment property

Investment property is measured at cost on initial recognition.

Subsequent to initial recognition investment property is measured at cost less accumulated depreciation and impairment loss, if any. Investment property is depreciated on a straight line basis over is useful life.

31-10 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

31-11 Financial instruments
Policy applicable from 1 January 2020

31-11-1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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31-11-2 Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Adebt investment is measured af FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument-by-instrument basis.
All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

31-11-3 Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated e.g.whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

31-11-4 Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

31-11-5 Financial assets Subsequent measurement and gains and – losses
Financial assets at FVTPL Financial assets at amortised cost
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains andlosses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

31-11-6 Financial liabilities Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

31-11-7 Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

31-11-8 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

31-11-9 Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss. The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or,

For other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Policy applicable before 1 January 2020

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities category.

31-11-10 Non-derivative financial assets and financial liabilitiesRecognition and Derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

31-11-11 Non-derivative financial assets Measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Held-to-maturity financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables
These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Available-for-sale financial assets
These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

31-11-12 Non-derivative financial liabilities - Measurement
A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss. Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

31-11-13 Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its foreigncurrency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.
Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.
The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affects profit or loss or the hedged item affects profit or loss.
If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profitor loss.

31-12 Share capital

31-12-1 Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24.

31-12-2 Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

31-13 Legal reserve

The Company's statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the Company's issued capital and when the reserve falls below this limit, it shall be necessary to resume .

31-14 Impairment

Policy applied from January 1, 2020

31-14-1 Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Loss (ECLs) on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI
- contract assets.

The Group also recognises loss allowances for ECLS on loans receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLS:

- Debt securities that are determined to have low credit risk at the reporting date;
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. unless it can be rebutted.
The Group considers a financial asset to be in default when: - The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
The financial asset is more than 90 days past due unless it can be rebutted. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

31-14-2 Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit
losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
ECLs are discounted at the effective interest rate of the financial asset.

31-14-3 Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganization
- The disappearance of an active market for a security because of -financial difficulties.

31-14-4 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

31-14-5 Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

31-14-6 Non-financial assets

- At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than, investment property, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUS. Goodwill arising from a business combination is allocated to CGUS or groups of CGUs that are expected to benefit from the synergies of the combination.

- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

-An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

- Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

- An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Policy applied before January 1, 2020

31-14-7 Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Group on terms that the Group would not consider otherwise:
- Indications that a debtor or issuer will enter bankruptcy: Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Financial assets measured at amortized cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been an estimates used to determine the recoverable amount.

31-14-8 Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUS. Goodwill arising from a business combination is allocated to CGUS or groups of CGUS that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The provision for doubtful debts is calculated on the investment cost of the leased assets (cost of leased assets in addition to its return at the date of calculating the provision) which are uncertainly collected i.e. (doubtful rent value) after deducting the credit deposits held by the Company. The Company's provisions committee specifies the provision percentage for each credit class which is calculated according to the risk rates of the doubtful rent values or according to the negative changes of the credit indicators, this provision is reviewed regularly or whenever there is a need to do so.

31-15 Provisions

Provisions are recognized when the Group has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

31-16 Treasury bills

Treasury bills are recorded at nominal value and the unearned income is recorded under the item of "creditors and other credit balances". Treasury bills are presented on the financial position net of the unearned income.

31-17 Trade, and notes receivables, debtors and other debit balances

- Trade, notes receivables, debtors and other debit balances are stated at nominal value less impairment losses.
- The Company's lessees and the leased assets are regularly classified & evaluated and their obligations are reduced by the rent value paid in each financial period, and with the assurance of the availability of adequate guarantee to collect the client's rent values.

31-18 Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents includes the balances, whose maturity do not exceed three months from the date of acquisition, cash on hand, cheques under collection and due from banks and financial institutions.

31-19 Profit sharing to employees

The holding company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

31-20 Micro-enterprises Receivables
31-20-1 Credit policy

Funding Consideration

- Funding are granted to clients who have previous experience not less than one year in his current activity which is confirmed by the client with adequate documentation and field inquiry.

- Funding are granted to the client which it's installment is suitable according to his predictable income activity and this done throw analyzing client's revenues and expenses and his foreseeable marginal income, and this done by the branches specialists of the company on the prepared form for this purpose(financial study form and credit decision).
- Before grant funding, a client activity field inquiry is done. - Recording inquiries results about client and guarantor with inquiring forms of the company which reveal client's activity (visit form & Inquiry form).

Client's Life Insurance

The insurance process on the client is performed with the authorized companies from insurance supervisory authority.

Client's Following up

The company keeps specialists in branches from following up all regular clients, and irregular with continuous application of that during finance period with judging on their commitment in paying the remaining installments and this done through recording visits for clients with daily basis and also with data base provided by computer system for all branches all over the republic.

Impairment loss of micro financed loans

The company at the date of the financial statements estimates the impairment loss of micro financed loans, in the light of the basis and rules of granting credit and forming the provisions according to the Board of Directors decision of the Financial Supervisory Authority No. (173) issued on December 21, 2014 to deal with the impairment loss.

31-21 Leases

The Group has applied EAS 49 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under EAS 20. The details of accounting policies under EAS 20 are disclosed separately.

Policy applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in EAS 49.

This policy is applied to contract entered in to, or after 1 Jan 2020.

31-21-1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on straight-line basis over the lease term.

31-21-2 As a lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies EAS 11 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in EAS 47 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of other revenue'.

Policy applicable before 1 January 2020
For contracts entered into before 1 January 2020, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:
fulfilment of the arrangement was dependent on the use of a specific asset or assets; and the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met: the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output; the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

31-21-3 As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

31-21-4 As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

31-22 Operating segment

A segment is a distinguishable component of the Group that is engaged

either in providing products or services (business segment) or in providing products or services within particular economic environment a (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment.

32. Important Events

A. Selling the company's share in investments in subsidiaries

On April 1, 2021 and in accordance with the agreement, the shares of Al Naeem Capital Investment Company, an Egyptian joint stock company, have been sold.

A subsidiary company owned by 99.9% of Al Naeem Holding Company for Investments, the entire company's shares amounting to one million shares were sold.

All legal Procedures are being taken to amend the Corporation charter of the company and document those amendments by authorities.

The agreement included the buyers' acknowledgment of their complete waiver of any cash or financial amounts due to "Al Naeem Holding for Investments - the main shareholder, as well as their acknowledgment that they have no right to recourse to any lawsuits or judicial claims with their full knowledge of that.

The balance owed by Al Naeem Holding Company for Investments on the date of signing the agreement amounted to 236 103 USD .

B. Corona pandemic

Countries all over the world including Egypt have faced the spread of coronavirus which had a huge impact on the economy a whole. most probably this will lead to a decrease in the economical activities on the upcoming period. this may have a material impact on certain balance of the assets, liabilities and the operation outcome in the next period It is not possible to calculate the effect of these events on the meantime.

Hence, the information is solely based on the forecasting conducted for the time period that these events are occurring and when it is projected to end as well as the aftermath that follows.

C. New Accounting Standards & Restated

On 18 March 2019 , the minister of investment and international cooperation introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. (1-10) year 2015 , which included some new accounting standards as well as introducing amendments to certain existing standards .

On April 12, 2020, the Financial Supervisory Authority issued a decision to postpone the application of the new Egyptian Accounting Standards and the accompanying amendments issued in Resolution No. 69 of 2019 to the periodic financial statements that will be issued during the year 2020 due to the current conditions in the country through the spread of the new Corona virus and the necessary Of the economic and financial implications associated with it, as well as the application of prevention measures and countering its spread from imposing restrictions on the presence of human resources in companies at their full capacity on a regular basis. And companies apply these standards and these adjustments to the annual financial statements of these companies at the end of 2020 and include the combined effect of the whole year by the end of 2020 with companies 'commitment to adequately disclose in their periodic lists during 2020 about this fact and its accounting effects if any.

the most prominent amendments are as follows :

(In the notes all amounts are shown in US Dollar unless other wise stated)

New or amended standards	A summary of the most significant amendments	The possible impact on the financial statements	Date of implementation
The new Egyptian Accounting Standard No. (47) "Financial Instruments"	1- The new Egyptian Accounting Standard No. (47), "Financial Instruments", supersedes the corresponding related issues included in the Egyptian Accounting Standard No. (26), "Financial Instruments: Recognition and Measurement". Accordingly, Egyptian Accounting Standard No. 26 was amended and reissued after cancelling the paragraphs pertaining to the issues addressed in the new Standard No. (47) and the scope of the amended Standard No. (26) was specified and intended to deal only with limited cases of Hedge Accounting according to the choice of the enterprise. 2- Pursuant to the requirements of the Standard, financial assets are classified based on their measurement whether at amortized cost, or fair value through other comprehensive income or at fair value profit or loss, in accordance with the enterprise business model for managing financial assets and the contractual cash flow characteristics of the financial asset. 3- When measuring the impairment of financial assets the Incurred Loss Model is replaced by the Expected Credit Loss (ECL) Models, which requires measuring the impairment of all financial assets measured at amortized cost and financial instruments measured at fair value through other comprehensive income from their initial recognition date regardless whether there is any indication of the occurrence of loss event. 4- Based on the requirements of this standard the following standards were amended: Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" as amended in 2019 Egyptian Accounting Standard No. (4) – "Statement of Cash Flows". Egyptian Accounting Standard No. (25) – "Financial Instruments: presentation. Egyptian Accounting Standard No. (26) – "Financial Instruments: Recognition and Measurement". Egyptian Accounting Standard – EAS No. (40) – "Financial Instruments: Disclosures".	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted; provided that the amended Egyptian Accounting Standards (1), (25), (26) and(40) are simultaneously applied. - These amendments are effective as of the date of implementing Standard No. (47).
The new Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers"	1- The new Egyptian Accounting Standard No. (48) – "Revenue from Contracts with Customers" shall supersed the following standards and accordingly such standards shall be deemed null and void. 2- Egyptian Accounting Standards No. (8) – "Construction Contracts" as amended in 2015. Egyptian Accounting Standard No. (11) – "Revenue" as amended in 2015. For revenue recognition, Control Model is used instead of Risk and Rewards Model. 3- Incremental costs of obtaining a contract with a customer are recognized as an asset if the enterprise expects to recover	The standard is implemented.	Standard No. (48) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted

(In the notes all amounts are shown in US Dollar unless otherwise stated)

	those costs and the costs of fulfilling the contract are to be recognized as an asset when certain conditions are met. 4- The standard requires that contract must have a commercial substance in order for revenue to be recognized. 5- Expanding presentation and disclosure requirements.		
The new Egyptian Accounting Standard No. (49) "Lease Contracts"	1- The new Egyptian Accounting Standard No. (49) "Lease Contracts" shall supersed Standard No. (20), "Accounting Rules and Standards related to Financial Leasing" issued in 2015. 2- The Standard introduces a single accounting model for the lessor and the lessee where the lessee recognizes the usufruct of the leased asset as part of the company's assets and recognizes a liability that represents the present value of the unpaid lease payments under the company's liabilities, taking into account that the lease contracts are not classified in respect of the lessee as operating one or finance lease contracts. 3- As for the lessor, he shall classify each lease contract either as an operating lease or a finance lease contract. 4- As for the finance lease, the lessor must recognize the assets held under a finance lease contract in the Statement of Financial Position and present them as receivable with an amount equivalent to the amount of the net investment in the lease contract. 5- As for operating leases, the lessor must recognize the lease payments of operating lease contracts as income either based on the straight-line method or based on any other regular basis.	The standard is implemented.	This standard No. (49) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted if Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" is simultaneously applied. Except for the above-mentioned date of enforcement, Standard No. (49) applies to lease contracts that were subject to Finance Lease Law No. 95 of 1995 and its amendments and were treated according to Egyptian Accounting Standard No. (20), "Accounting rules and standards related to financial leasing" as well as the finance lease contracts that arise under and are subjected to Law No. 176 of 2018 to the effect of regulating both financial leasing and factoring activities starting from the beginning of the annual reporting period in which Law No. (95) of 1995 was cancelled and Law No. (176) of 2018 was issued.
Egyptian Accounting Standard No. (38) as "amended employees Benefits"	A number of paragraphs were introduced and amended in order to amend the Accounting Rules of Settlements and Curtailments of Benefit Plans.	The standard is implemented.	This standard No. (38) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted.
Egyptian	Some paragraphs related to the exclusion of the Investment	The standard is	This standard applies to

Accounting Standard No. (42) as amended "Consolidated Financial Statements"	Entities from the Consolidation process were added. This amendment has resulted in introducing an amendment to some of the standards related to the subject of the Investment Entities. The standards that were amended are as follows: (EAS 15) Related Party Disclosures (ESA 17) Consolidated and Separate Financial Statements. (EAS 18) Investment in Associates (EAS 24) Income Taxes. (EAS 29) Business Combinations. (EAS 30) Periodical Financial Statements. (EAS 44) Disclosure of Interests in Other Entities.	implemented.	financial periods beginning on or after January 1st, 2020, and the early adoption is permitted. - The new or amended paragraph pertaining to the amended standards concerning the investment entities shall apply on the effective date of Egyptian Accounting Standard No. (42) "Consolidated Financial Statements", as amended and issued in 2019.
Egyptian Accounting Standard No. (22) as amended "Earnings per share"	The scope of implementation of the Standard was amended to be applied to the separate, or consolidated financial statements issued to all enterprises.	The standard is implemented.	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.
Egyptian accounting Standard No. (4) as amended "Statement of Cash Flows"	This standard requires the entity to provide disclosures that enable users of the financial statements to assess changes in liabilities arising from finance activities, including both changes arising from cash flows or non-cash flows.	The standard is implemented.	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.

The FRA issued a statement on 9th of May 2021 accepting delaying the effect of standard on (47) on the quarterly Financial statement until The year-end Financial for the year 2021 .

CFO	Managing Director	Chairman
Ahmed Mahmoud ElGammal	Youssef Medhat El Far	Hussein Ali Shobokshy